BRITISH COLUMBIA

BC STATS

Service BC
Ministry of Labour & Citizens' Services

Infoline

Contact: bcstats.infoline@gov.bc.ca | Issue: 06-05 | February 3, 2006

- **High tech sector grows 4.6% in 2004**
- **Average age of public infrastructure declines for first time in 30 years**
- **Waiting times the biggest barrier to access to health care services**

High Technology

- **British Columbia's high technology sector expanded 4.6% in 2004, outpacing the increase for all industries in the province (+4.1%).** This marked the third straight year in which the sector has recorded higher-than-average GDP growth. High-tech manufacturers (+6.6%) and service (+4.2%) industries saw robust growth. The computer and related services industry expanded 4.5%, but some high tech industries, including engineering and the motion picture and film production industry, lost ground in 2004.

  Among the larger provinces, Alberta (+4.7%) and BC (+4.6%) posted the strongest gains in 2004, but the high tech sector expanded in all four provinces. The national increase was 3.9%.

  Some 64,660 British Columbians worked in the high tech sector in 2004, down 2.4% from the previous year. Both manufacturing (-5.1%) and service (-1.7%) industries pared down the size of their workforce. High tech employment fell 0.5% nationally, reflecting lower employment levels in Quebec (-2.0%) as well as BC. Employment increased only marginally in Ontario (+0.4%) but was up 2.1% in Alberta.

  This year, the definition of the high tech sector has been expanded to include telecommunications, film and related services as well as manufacturing of high technology products, and high-tech service industries such as computer services and engineering. *Data Source: BC Stats*

The Economy

- **Real estate agents, brokers, appraisers and other industries were busier in 2004 than in the previous year.** Canadian revenues surged 11.4% to $8.9 billion as a result of strong sales and high real estate prices. Ontario accounted for 52% of total revenue. BC (19%) was ranked second, followed by Quebec (13%). BC and Ontario both represent a disproportionately large share of revenues, relative to their population base. This is partly a reflection of high real estate values and the ongoing building boom, which has resulted in a flurry of activity in real estate offices and related establishments. Commissions account for about 14% of total operating expenditures in BC, and 12% in Ontario, well above the national average of 11%.

  Data Source: Statistics Canada

Road Motor Vehicle Registrations

- **There were 2.4 million road motor vehicles, registered in BC last year, slightly less than in Alberta (2.5 million), which has about three-quarters as many people.** The Canadian total was 19.4 million. *Data Source: Statistics Canada*

Agriculture

- **Blueberries have surpassed apples as the number one fruit crop in the country, based on the area of land under production, and sales have skyrocketed in recent years.** In 2004, the farm-gate value of the Canadian blueberry crop reached nearly $130.9 million. BC is the country's biggest blueberry producer, with 48% ($64.2 million) of total sales. Quebec (21%) and Nova Scotia (17%) are the other major producing provinces. Although BC is the biggest producer based on revenue, considerably less land is devoted to growing blueberries here than in the east. There were 8,300 acres devoted to blueberry cultivation in BC, compared to 37,230 in Nova Scotia and 30,100 in Quebec. Blueberries grown on the west coast are a high-bush variety, which require less land than the wild (low-bush) variety grown in the east. Canada is the world's biggest blueberry exporter, with 37% of the global total. Most

Report | BC's restaurant industry

Did you know...
66% of participants in a Groundhog Day Poll correctly predicted that the Canadian critters would forecast an early spring. The Weather Network says spring won't come till March 20th.

(84%-100%) of the blueberries produced in Canada are exported. The US is the main market, but some of the berries go as far away as Japan. *Data Source: SC, Catalogue 21-004-XIE*

Public Infrastructure

- **The age of Canada's roads, highways, sewer systems, wastewater treatment facilities and bridges fell for the first time in 30 years in 2003, as new investment in highways and roads rejuvenated some of the publicly owned infrastructure.** The average age of these structures was 17.4 years in 2003, down from 17.5–the level at which it had been since 1999. By comparison, in 1973, the average age of Canada's public infrastructure was 14.7 years.

  In 2003, three of the four main components of the public infrastructure system were past the halfway mark of their service life. Wastewater treatment facilities had 63% of their useful life behind them, while roads & highways had reached 59% of their useful life. Sewer systems were at 52% and bridges at 49%.

  The stock of government-owned infrastructure was worth an estimated $155 billion in 2002, with the road network accounting for two-thirds of the total. The average service life of roads and highways is 28 years. In 2003, their average age was 16.6 years, down from 17.0 years in 1992, but considerably higher than in 1974 (14.1 years). *Data Source: Statistics Canada*

Access to Health Care

- **Waiting times remain the biggest barrier for Canadians who had difficulties accessing specialized health care services in 2005.** Between 2003 and 2005, median waiting times remained relatively stable at between three and four weeks and most Canadians had received care within three months. In BC, the median waiting time for specialist visits increased from 3.0 to 4.3 weeks during this period. BC, Saskatchewan and Alberta, were the only regions where waiting times increased during this period. Canadian wait times were unchanged. For non-emergency surgeries, the waiting time was unchanged at 4.3 weeks in BC, the same as the national median. The waiting time for diagnostic tests increased to 3.0 weeks from 2.0 weeks. (Readers should note that some of the provincial data is not as robust as the national figures.)

  An estimated 2.8 million Canadians aged 15 or older visited a medical specialist in 2005. Of these, 18% reported that they faced difficulties accessing care. Eleven percent of the 1.5 million people who had non-emergency surgery had difficulties, as did 15% of the 2.1 million people who accessed a diagnostic test. The main source of difficulties was waiting times, reported as an issue by 65% of those who had consulted a specialist and 79% of those who had non-emergency surgeries, 79%. For diagnostic tests such as MRIs and CT scans, 58% of those reporting difficulties said wait times for appointments were a problem, while 38% said they waited too long to get a test.

  Data Source: SC, Catalogue 82-225-XIE

The Nation

- **The Canadian economy held steady in November, growing 0.2% (*seasonally adjusted*), the same rate as in the previous month.** The growth was largely focussed in the service sector, which expanded 0.3% between October and November as accommodation & food services (+1.8%) posted a third straight monthly increase and retailers continued to make a comeback (+1.3%). GDP in the education industry bounced back (+2.0%) as teachers in BC returned to the classroom. Most other service industries had a relatively good month. Wholesale trade (-1.0%), together with transportation & warehousing (-0.1%) and public administration (-0.1%) were the only exceptions.

  The goods industries slowed down (-0.1%) as the auto sector put the brakes on manufacturing output (-0.3%). The wood industry (+1.3%) expanded for the first time since June, but paper producers (-1.1%) remained in the doldrums. Utilities (-0.6%) and agriculture, forestry & fishing (-0.9%) also lost ground. The construction industry expanded 0.7%. Oil & gas extraction stalled (+0.1%) but other mining activities ramped up (+2.8%) after sliding back in October. *Data Source: Statistics Canada*

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

Issue: 06-05
Feb. 03, 2006

Contact: Jade Norton (250) 387-1124
Originally published in *Small Business Quarterly* Issue 05-3. Annual Subscription $30 +GST

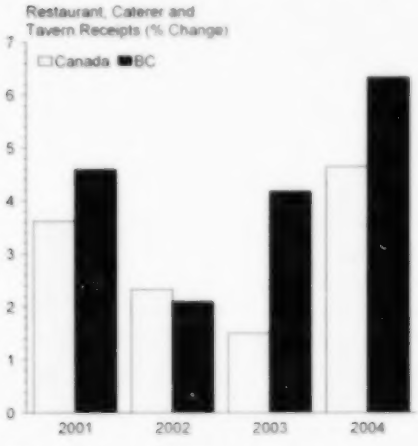
BC Restaurants: An Industry Overview

British Columbia's foodservice industry has made great strides in recent years, and BC is currently the top-performing province in terms of foodservice sales. According to Geoffrey Howes, Past Chair of the BC Restaurant and Foodservices Association (BCRFA), "BC's positive economic climate...is reflecting in more people dining out and people spending more."[1] It is particularly important to assess the province's foodservice industry as we prepare to host the world for the 2010 Winter Olympics.

Restaurant Performance in BC

Over the five-year period from 2000 to 2004, BC restaurants showed signs of steady performance growth. One of the strongest indicators of the success of restaurants is measured in the strength of the restaurant, caterer and tavern receipts posted on a monthly basis by Statistics Canada.

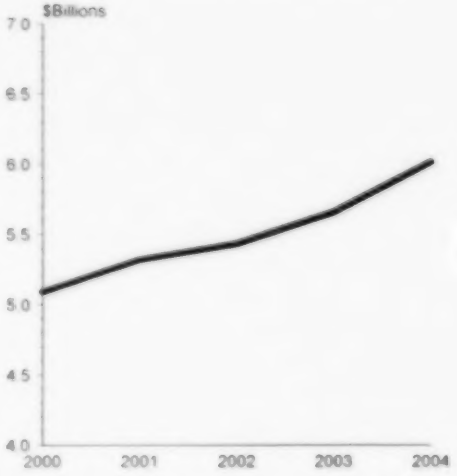
BC Records Higher Increase in Receipts



Data Source: Statistics Canada

In 2004, BC's restaurant, caterer and tavern receipts continued to climb, reaching an annual record high of over $6.0 billion. This represented an 18.2% increase from 2000, significantly higher than the national increase of 12.6% over the same period.[2]

BC's Restaurant, Caterer and
Tavern Receipts Climb Steadily



Data Source: Statistics Canada

The operating revenue for food services & drinking places,[3] a subsector of accommodation & food services, has also shown signs of significant increases. At $5.5 billion in 2003 (the latest year for which data is available), operating revenues for BC's restaurants and drinking places were 6.1% higher than in 2002. Canada's total operating revenue for restau-

[1] BCRFA report *'BC's Restaurant Industry Helps Propel Provincial Growth'* May 6, 2005. Retrieved from: http://www.bcrfa.com

[2] All data is from Statistics Canada unless stated otherwise.

[3] This subsector of accommodation and food services is comprised of establishments primarily engaged in preparing meals, snacks and beverages for immediate consumption on and off the premises. It does not include food services activities that occur within hotels, civic and social associations, amusement & recreation parks and theatres.

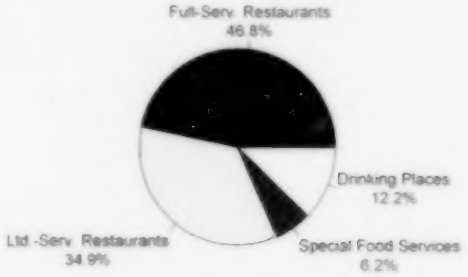
rants & drinking places slipped (-0.3%) over the same period, mostly as a result of the impact of SARS in Ontario where operating revenue was down 7.9% from 2002.

Among the other provinces, BC was second only to Quebec in terms of growth in operating revenue. BC outperformed the other western provinces, as Alberta recorded a more lacklustre increase (+1.6%) and Saskatchewan's operating revenue dropped (-7.1%).

"These numbers back up what we've been hearing anecdotally for some time now," says Ian Tostenson, President and CEO of the BC Restaurant and Foodservices Association. "Hotels, pubs, fine dining establishments, quick service operators – they're all generally experiencing good growth."[4]

Provincially in 2004, full-service restaurants, where patrons are served while seated and pay after eating, accounted for 46.8% of total operating revenue for food services & drinking places. Limited-service establishments, such as cafes, where patrons select items at a counter and pay before eating, made up 34.9%. Drinking places, which consist of bars and taverns primarily serving alcoholic beverages, represented 12.2%, while special food services, which provide portable services at the customer's location, accounted for 6.2%.[5]

Restaurants Generate Most Revenue for Food Services & Drinking Places



Data Source: Statistics Canada

Employment Characteristics

The foodservice industry is one of BC's largest employers and provides more first-time job experience and training for young, inexperienced workers than any other industry in the province. According to BCRFA, there is an immense demand for employees in every position, from entry level to executive chef and managerial positions.[6]

In Canada, the foodservice industry employs more than one million people, representing 6.5% of the nation's total employment. This means that more people work in food services than in agriculture, forestry, pulp and paper, banking, petroleum production & distribution and motor vehicle & parts manufacturing combined.

Reaching 754,017 persons in 2004, employees of restaurants and drinking places represent most food-service jobs in Canada. In 2004, BC had 117,786 employees working in restaurants & drinking places, making up 8.7% of workers in the service-producing industries as a whole.

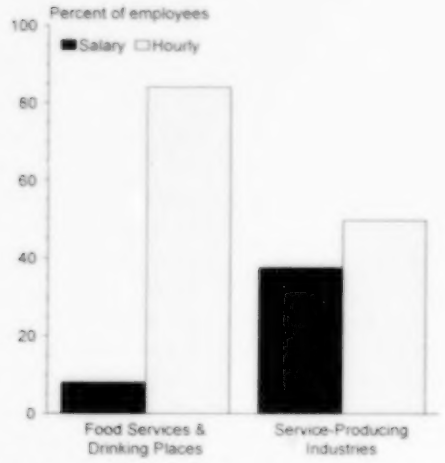
[4] BCRFA report *'BC's Restaurant Industry Helps Propel Provincial Growth'* May 6, 2005. Retrieved from: http://www.bcrfa.com

[5] For further description of industries and groups, refer to the North American Industry Classification System (NAICS) under classification number 722.

[6] BCRFA report *'BC's Restaurant Industry Helps Propel Provincial Growth'* May 6, 2005. Retrieved from: http://www.bcrfa.com

Most (84.0%) of the employees of restaurant & drinking places were paid by the hour and only 7.8% were paid by fixed salary. This is in stark contrast to the service-producing industries as a whole, where 49.7% of workers are paid hourly wages and 37.4% are paid salary.

Employees of Food Services & Drinking Places Paid Mostly by the Hour



Data Source: Statistics Canada

This is indicative of the unpredictability of restaurant work, in that the volume of customer influx, and the consequent need for labour, varies daily, monthly, seasonally and even annually for many establishments. Most employees paid on a salary basis are in either supervisory or managerial positions.

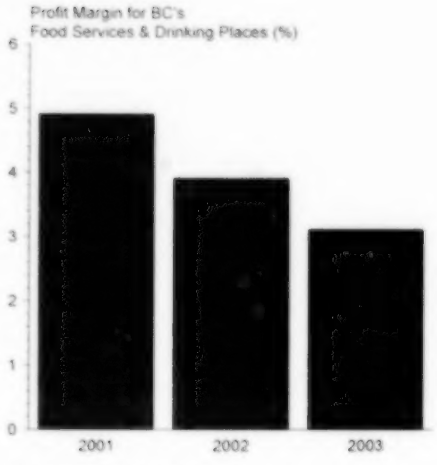
The average hourly earnings of employees working in food services & drinking places in the province are significantly lower than the average for those in the service-producing industries as a whole. In 2004, for example, the average hourly earnings including overtime for BC's food service & drinking places workers was $11.03 versus an average of $16.64 for the service producing industries in total.

This, however, is not surprising given the large number of entry-level positions and employment for young people that restaurants and drinking places provide, as well as the expectation that employees earn the lion's share of their income through gratuities paid by patrons. On average, in 2004, BC's employees of food services and drinking places earned a higher wage than the national average of $9.72.

Operator overview

It takes a substantial number of staff to operate a restaurant or drinking establishment. Indeed, payroll is a huge cost for the labour-intensive foodservice industry. Data indicate that in 2003, operating expenses for food services & drinking places in BC were $5.4 billion, with salaries, wages and benefits paid to employees accounting for $1.7 billion (30.3%). Due in part to higher employment costs, profit margins for B.C. operators were only 3.1% in 2003, down from 4.9% only two years earlier. The national profit margin was similar (3.3%).

Profit Margins Slip



Data Source: Statistics Canada

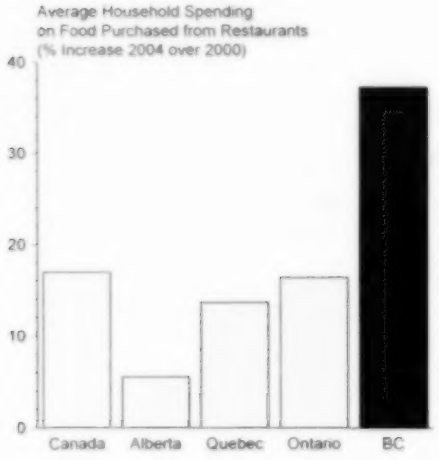
The Bigger Picture

According to Statistics Canada's Survey of Household Spending, British Columbian households spent an average of $7,124 on food in 2004, second only to Alberta ($7,125), and well above the Canadian average of $6,910. This was an 18.3% increase from 2000, by far the fastest rate of growth among the provinces.

A similar trend presents itself in the household spending patterns on food purchased from restaurants. On average, households in BC spent the most of all the provinces on food purchased from restaurants in 2004. The average annual expenditure was $1,727, significantly more than the national average of $1,519.

BC's 2004 numbers also showed the most significant boost from 2000, a whopping 37.2%, while other provinces' spending on restaurant food showed increases ranging from just 5.6% in Alberta to 28.9% in Newfoundland & Labrador respectively.

BC Households Spend More on Restaurant Meals



Data Source: Statistics Canada

Perhaps more interestingly, households in British Columbia spent an average of 24.2% of their total expenditure on food on restaurant meals. Again, this is highest in the country with Canadian households as a whole spending an average of 22.0% of total food expenditures on food purchased from restaurants.

For the most part, BC's restaurants and drinking places show signs of steady growth and stamina. With more businesses opening, and more jobs being created, the contribution to the province's economy as a whole is significant, and the variety of menus available to residents and visitors alike is seemingly endless.

Infoline

February 3, 2006

fax transmission information service from **BC STATS**

Email transmission information service from **BC STATS**

also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Oct 1/05	% change on one year ago
BC	4,271.2	1.3
Canada	32,378.2	1.0
GDP and INCOME		
(BC - at market prices)	2004	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	157,241	7.7
GDP *($ 1997 millions)*	139,205	4.0
GDP *($ 1997 per Capita)*	33,129	2.8
Personal Disposable Income *($ 1997 per Capita)*	20,182	1.4
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Nov	3,666	1.8
Merchandise Exports - Nov	3,010	-3.3
Retail Sales - Nov	4,288	0.7
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Dec '05	% change
BC	125.7	2.0
Canada	128.1	2.2
LABOUR FORCE (thousands)		
(seasonally adjusted)	Dec '05	% change on prev. month
Labour Force - BC	2,283	0.1
Employed - BC	2,167	-0.1
Unemployed - BC	116	3.9
		Nov '05
Unemployment Rate - BC *(percent)*	5.1	4.9
Unemployment Rate - Canada *(percent)*	6.5	6.4
INTEREST RATES (percent)	Feb 1/06	Feb 2/05
Prime Business Rate	5.25	4.25
Conventional Mortgages - 1 year	5.80	4.80
- 5 year	6.30	6.05
US/CANADA EXCHANGE RATE	Feb 1/06	Feb 2/05
(avg. noon spot rate) Cdn $	1.1402	1.2405
US $ *(reciprocal of the closing rate)*	0.8768	0.8079
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Dec '05	% change on one year ago
BC	706.56	1.4
Canada	712.28	4.0

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Economic Accounts (GDP)

Statistics Canada now provides free access to a broad range of national and provincial economic accounts (Gross Domestic Product) data.

The **System of National Economic Accounts** module provides an up-to-date portrait of national and provincial economies and their structure, based on an integrated, internationally recognized set of economic accounting concepts.

Labour force statistics

http://www.statcan.ca/english/nea-cen/index.htm

LFS revisions 2005

On Wednesday, January 25th, Statistics Canada released revisions to the labour force survey data. We are working to update all the LFS files on our site this cannot be completed until after Statistics Canada publishes the annual CD product.

Labour force statistics

http://www.bcstats.gov.bc.ca/data/lss/labour.asp

Consumer Price Index 2005

With the release of the December 2005 monthly consumer price index came an update of the annual series. BC Stats publishes several documents featuring long time series of the highest level Canada, British Columbia, Vancouver and Victoria data.

http://www.bcstats.gov.bc.ca/ [continued]
data/bus_stat/econ_stat.asp

Released this week by BC STATS

- Business Indicators, January 2005
- PUBLICATION: Profile of the British Columbia High Technology Sector, 2005 Edition

Next week

- Tourism Sector Monitor, January 2006

BC STATS, Ministry of Labour and Citizens' Services, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca